

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**SENATE BILL 691**

Short Title: Study Insurance Rate Making. (Public)

Sponsors: Senators Lee, Apodaca, Wells (Primary Sponsors); and B. Jackson.

Referred to: Rules and Operations of the Senate.

March 30, 2015

A BILL TO BE ENTITLED  
AN ACT TO CREATE THE JOINT LEGISLATIVE STUDY COMMITTEE ON  
INSURANCE RATE MAKING.

The General Assembly of North Carolina enacts:

**SECTION 1.** LSC Study of Insurance Rate Making. – There is created the Joint Legislative Study Committee on Insurance Rate Making. The Committee shall consist of 10 members to be appointed as follows:

- (1) Five members of the House of Representatives appointed by the Speaker of the House of Representatives.
- (2) Five members of the Senate appointed by the President Pro Tempore of the Senate.

**SECTION 2.** Study. – The Committee shall study the following:

- (1) The structure, function, and operations of the Rate Bureau with respect to auto and property insurance rate making, with particular attention to the conditions and characteristics of the insurance market and the magnitude and type of insurable risks in North Carolina that require the existence of a body such as the Rate Bureau that no longer exists in any other state.
- (2) The function and purpose of "consent to rate" rate deviations under G.S. 58-36-30(b), and whether the current prevalence of this type of rate deviation conforms to that function and purpose, and alternatives that will adequately protect North Carolina property owners and drivers and maintain access to adequate choice in the insurance market.
- (3) Any other subject the Committee finds germane to an understanding of and basis for legislative proposals to revise the insurance rate-making process in North Carolina.

**SECTION 3.** Cochairs; Vacancies. – The Speaker of the House of Representatives shall designate one representative to serve as cochair and the President Pro Tempore of the Senate shall designate one senator to serve as cochair. Vacancies on the Committee shall be filled by the same appointing authority making the initial appointment.

**SECTION 4.** Powers. – The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 through G.S. 120-19.4. The Committee may meet at any time upon the joint call of the cochairs. The Committee may meet in the Legislative Building or the Legislative Office Building.

**SECTION 5.** Staffing. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The Directors of Legislative Assistants of the Senate and of the House of Representatives shall



1 assign clerical staff to the Committee and the expenses relating to the clerical employees shall  
2 be borne by the Committee. Members of the Committee shall receive subsistence and travel  
3 expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

4         **SECTION 6.** Report. – The Committee shall submit a final report, including  
5 findings and legislative recommendations, to the 2015 General Assembly when it reconvenes in  
6 2016. The Committee shall terminate upon filing its final report.

7         **SECTION 7.** This act is effective when it becomes law.